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PRESS RELEASE

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**Former D.C. government employee sentenced to 27 months
in prison in connection with theft of \$83,740
from short-term commercial lender**

Washington, D.C. - United States Attorney Kenneth L. Wainstein, Assistant Director in Charge Michael A. Mason of the FBI's Washington Field Office, and District of Columbia Interim Inspector General Austin Andersen jointly announced that Lois Alston-Graves, 54, of the 800 block of Delafield Place, N.W., Washington, D.C., was sentenced today to a prison term of 27 months by United States District Judge Ellen S. Huvelle. Judge Huvelle also ordered the defendant to pay \$83,740 in restitution to Paragon Financial in Boca Raton, Florida. Alston-Graves, a former Support Enforcement Specialist with the Office of Paternity and Child Support of the Department of Human Services for the District of Columbia, was convicted on April 20, 2004, by a federal jury on charges of Conspiracy and Wire Fraud.

The evidence at trial demonstrated that Alston-Graves used her government telephone to verify bogus information to several finance companies in an attempt to receive short term commercial loans based on fake account receivables. In the scheme, Alston-Graves pretended to be a contracting officer who verified bogus paperwork submitted to the finance companies by co-conspirator, John H. Smith. In particular, Alston-Graves falsely represented that Smith had a D.C. government contract, was performing under the

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contract, and was owed over \$1,000,000 in invoices by the D.C. government. In addition, Alston-Graves verified that the government was processing certain paperwork purportedly ensuring that the finance company would receive the money owed on the invoices. As a result of her bogus verifications, a finance company wired over \$83,000 to Smith, who paid Alston-Graves several thousand dollars for her help in the scheme. In addition, Alston-Graves spoke with additional companies in an effort to receive millions of dollars.

On December 1, 2003, Alston-Graves' co-conspirator, John H. Smith, 33, of Daytona Beach, Florida, pleaded guilty to one count of conspiracy. He was sentenced on May 14, 2004, by Judge Huvelle sentenced to a term of probation and also ordered him to pay restitution of \$83,740 to Paragon Financial.

In announcing the sentence, United States Attorney Wainstein, Assistant Director Mason and Interim Inspector General Andersen commended James Glymph, Special Agent with the Office of Inspector General of the District of Columbia, and N. James Massey, Jr., Special Agent with the Federal Bureau of Investigation, who investigated the case and assisted in bringing the case to trial. The United States Attorney also commended Legal Assistants Shavonne Rush and Teesha Tobias and Paralegal Specialist Paula Pagano, who assisted in the trial of the case, and Assistant United States Attorneys Elizabeth Coombe, Kimberly Knowles and Jonathan Rosen, who indicted and tried the case.

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